

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

IN THE MATTER OF:

**THE DEALER MEMBER RULES OF THE
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA**

AND

**THE BY-LAWS OF THE
INVESTMENT DEALERS ASSOCIATION OF CANADA**

AND

LAWRENCE BRADLEY CHANG

NOTICE OF HEARING

TAKE NOTICE that pursuant to Part 10 of Dealer Member Rule 20 and Section 1.9 of Schedule C.1 to Transition Rule No.1 of the Investment Industry Regulatory Organization of Canada (“**IIROC**”), a set-date hearing will be held before a hearing panel of IIROC (“**Hearing Panel**”) on Thursday, October 18, 2012, at IIROC, Suite 2800, 1055 West Georgia Street, Vancouver, British Columbia at 2:30 am, or as soon thereafter as the hearing can be heard.

TAKE FURTHER NOTICE that pursuant to Rule 6.2 of IIROC’s Rules of Practice and Procedure, that the hearing shall be designated on the:

The Standard Track

The Complex Track

TAKE FURTHER NOTICE that on June 1, 2008, IIROC consolidated the regulatory and enforcement functions of the Investment Dealers Association of Canada (“**IDA**”) and Market Regulation Services Inc. Pursuant to the *Administrative and Regulatory Services Agreement* between IDA and IIROC, effective June 1, 2008, IDA has retained IIROC to provide services for IDA to carry out its regulatory functions with respect to the conduct of IDA Members and registrants occurring before June 1, 2008.

THE PURPOSE OF THE HEARING is to determine whether Lawrence Bradley Chang (“the Respondent”) committed the following contraventions alleged by IIROC Staff (“Staff”):

Count 1

From November 2006 through March 2008, the Respondent, engaged in discretionary trading in a client account without first having the account approved and accepted as a discretionary account, contrary to IDA Regulation 1300.4.

Count 2

From December 31, 2007 through March 28, 2008, the Respondent purchased a combined total of approximately \$498,160 of one security in a client account without authorization from the client, contrary to IDA By-law 29.1.

Count 3

From January 2008 through May 2008, the Respondent, contrary to IDA By-law 29.1, made misrepresentations to a client regarding the number of shares held in the client’s account in order to hide the fact that he had made unauthorized purchases of a security.

PARTICULARS

TAKE FURTHER NOTICE that the following is a summary of the facts alleged and to be relied upon by the Staff at the hearing:

Overview

1. With the consent of his client, but without the knowledge of his firm, the Respondent executed discretionary transactions in a client account. The Respondent made other transactions in the same account without the client’s consent or knowledge. He subsequently misrepresented the number of shares of one security held in the account in order to hide those unauthorized transactions. When the client eventually discovered and questioned the Respondent about the unauthorized transactions, the Respondent told the client there had been an administrative error and that it would be corrected. The Respondent later adopted a different position and claimed the transactions were authorized by the client. Within 6 months of the unauthorized transactions, the security purchased was essentially worthless. The client’s resulting loss was approximately \$498,000.

The Respondent

2. The Respondent was born in 1972 and had been continuously registered with member firms since 2000. In December 2005, he joined Canaccord Capital Corporation, now known as Canaccord Genuity Corp. (“**Canaccord**”).

3. These particulars relate to the time period from November 2006 through the end of May, 2008. For that entire period, the Respondent was registered and working at Canaccord's head office in Vancouver, British Columbia.
4. The Respondent has not been registered with a member firm since leaving Canaccord in March 2009.

The Client

5. In December 2005, a sophisticated European client with a higher than average tolerance for risk (**the "Client"**) opened an account at Canaccord. The Respondent was the RR responsible for the Client's account.
6. The Client partly used the Respondent as an order taker to process transactions initiated by the Client.

Discretionary Trades

7. Over time the Client became interested in the Respondent's stock ideas.
8. On November 7, 2006 the Client emailed the Respondent and instructed him to use his discretion to purchase up to a total of \$100,000 in securities chosen by the Respondent with a limit of \$30,000 on each individual security.
9. Starting on that same day and continuing until the end of March 2008, the Respondent made the transactions specified in Schedule "A" in the Client's account (**the "Discretionary Trades"**) without first confirming the timing, security, price, and number of shares bought or sold with the Client.
10. The Client's account was not approved as a discretionary account.

USSU

11. USSU was a security the Respondent held in his Pro Accounts and one he recommended to a significant number of his clients.
12. The Respondent originally bought and sold USSU in the Client's account in March 2007 and again in May 2007 within the parameters of the consent to use discretion which the Client had granted the Respondent.
13. At the end of June, 2007, there were 30,000 shares of USSU in the Client's account at a cost of \$24,480 (0.816 per share)¹.

Unauthorized Transactions

14. Starting on December 31, 2007 and continuing until March 28, 2008, on six different days, the Respondent made 23 additional purchases of USSU at a combined total cost of \$498,160 without the Client's authorization.

¹ Purchased 47,500 shares at a total cost \$40,143. Sold 17,500 shares for a net amount of \$15,663.

15. All of the purchases of USSU in the Client's account are set out in Schedule "B".

Misrepresentations to the Client

16. On January 7, 2008, the Client emailed the Respondent and asked him to email the holdings in the Client's account as at December 31, 2007, rather than having to wait for the monthly statement to arrive by mail². The Respondent emailed this list (**the "First List"**) that same day.
17. The First List identified 56 stock symbols preceded by a number which represented the number of shares. It identified 30,000 shares of USSU.
18. The First List included 6,500 shares of another security, FVR which were purchased on January 3, 2008 but had not settled by the time the First List was created. However, the First List did not include an additional 250,000 shares of USSU which were purchased on December 31, 2007 and settled on January 4, 2008.
19. The December 31, 2007 purchase of 250,000 USSU shares cost \$216,670 (0.866 per share) and was approximately 12% of the value of the Client's account at that time.
20. The Respondent created the First List by copying details of the Client's positions as they existed on the Order Management System ("**OMS**") as at January 7, 2008. The Respondent then deleted the number "280000" which was the number of USSU shares displayed on the OMS and inserted the number "30000."
21. On January 14, 2008 the Client emailed the Respondent and told him that he wanted to review the performance of the stocks the Respondent traded with discretion trading. In this email the Client noted that Canaccord statements didn't show average cost per position.
22. On January 29, 2008, after reviewing the performance of the discretionary trades that had been made to that date, the Client emailed the Respondent with instructions to follow the positions closely, and to close them out at some point. The Client also asked the Respondent to provide him with a weekly spreadsheet showing the discretionary positions, outlining the number of shares, their average cost, market price, current value and associated loss or profit (the "**Weekly Spreadsheet**").
23. On February 4, 2008, the Respondent emailed the first Weekly Spreadsheet. It referenced eight Canadian and six American securities which were a subset of the fifty-three Canadian and ten American securities on the Client's February 2008 monthly account statement.
24. The first Weekly Spreadsheet listed only 30,000 shares of USSU when the Client's account actually held 280,000 USSU shares. It gave an accurate report of all the other securities.

² Mailing address for the Client was in Geneva, Switzerland.

25. The Respondent emailed eleven other Weekly Spreadsheets on the following dates:

- February 13, 2008
- February 18, 2008
- February 24, 2008
- March 10, 2008
- March 18, 2008
- March 25, 2008
- March 31, 2008
- April 8, 2008
- April 15, 2008
- April 22, 2008
- April 29, 2008

26. Each week the Weekly Spreadsheet was updated for changes in other securities, but the 30,000 shares of USSU never changed, despite the fact that additional shares of USSU were purchased as follows:

Date	Shares Purchased	Total Shares Held
March 12, 2008	125,000	405,000
March 13, 2008	55,000	460,000
March 19, 2008	230,000	690,000
March 26, 2008	189,000	879,000
March 28, 2008	325,000	1,204,000

27. The March 2008 purchases of 924,000 USSU shares cost \$281,490 (0.305 average per share). All were purchased after the share price had declined more than 50% from the December 31, 2007 purchase.

28. On May 4, 2008, the Client emailed the Respondent that he reviewed the March 2008 statement which showed 879,000 shares³ of USSU when the April 29, 2008 Weekly Spreadsheet showed 30,000. The Client asked the Respondent:

- (i) if he bought as many as 879,000 shares of USSU;
- (ii) what the total cost of USSU was;
- (iii) to show all purchases and sales of USSU on a table; and
- (iv) to explain the rationale of such a massive position.

29. The Respondent immediately emailed the Client a reply that there must have been an error and that he would look into it.

³ The 325,000 shares purchased on March 28, 2008 which would have totaled 1,204,000 had not settled. Under "Security Holdings" the March 31, 2008 statement showed 879,000 shares of USSU.

30. Later that same day, May 5, 2008 the Respondent emailed another Weekly Spreadsheet showing 30,000 USSU shares in the Client's account when in fact there were 1,204,000. The Respondent advised that he would figure out what happened and that the 30,000 shares was the Client's current position in USSU.
31. On May 12, 2008, the Respondent emailed another Weekly Spreadsheet showing 30,000 USSU shares in the Client's account when in fact there were 1,204,000.
32. On May 15, 2008 the Respondent emailed the Client that with respect to USSU he was "having everything fixed."
33. On May 20, 2008, the Respondent emailed another Weekly Spreadsheet showing 30,000 USSU shares in the Client's account when in fact there were 1,204,000.
34. On June 14, 2008, the Client emailed the Respondent that the correction they had discussed with respect to USSU was never executed.
35. On June 24, 2008, the Respondent emailed the Client that "all of the trades credited to account accorded to the orders made on the account."
36. USSU did not trade above 0.25 per share after April 2008. By the summer of 2008 it was below 0.05 per share and has not traded higher since then.

Schedule "A" (page 1 of 2)

A/C	Settlement Date	Buy Sell	# Shares	Security	Price	Amount	Commission
US Margin	10-Nov-06	Buy	10,000	Inform Worldwide Hlds Inc New	1.900	19,580.80	580.80
Cdn Margin	20-Dec-06	Buy	4,200	Tranzeo Wireless Techs Inc	2.160		
Cdn Margin	20-Dec-06	Buy	5,000	Tranzeo Wireless Techs Inc	2.170		
Cdn Margin	20-Dec-06	Buy	800	Tranzeo Wireless Techs Inc	2.200	21,916.00	234.00
US Margin	4-Dec-06	Buy	500	Intralase Corp	20.960		
US Margin	4-Dec-06	Buy	500	Intralase Corp	20.969	20,964.50	-
US Margin	20-Dec-06	Buy	1,500	ICP Solar Technologies Inc.	2.100		
US Margin	20-Dec-06	Buy	3,500	ICP Solar Technologies Inc.	2.120	10,570.00	-
US Margin	20-Dec-06	Buy	4,000	ICP Solar Technologies Inc.	2.120	8,693.00	213.00
US Margin	20-Dec-06	Sell	132	Intralase Corp	22.700		
US Margin	20-Dec-06	Sell	500	Intralase Corp	22.690		
US Margin	20-Dec-06	Sell	368	Intralase Corp	22.691	22,453.69	238.00
US Margin	22-Dec-06	Buy	1,000	ICP Solar Technologies Inc.	2.250	2,345.00	95.00
US Margin	12-Feb-07	Buy	8,000	Tiger Ethanol Intl Inc.	2.460	19,841.00	161.00
Shrt US Mgn	27-Feb-07	Sell	1,000	Systemax Inc	28.590	28,386.62	203.38
Cdn Margin	2-Mar-07	Buy	8,000	Delta Exploration Inc	1.500	12,084.00	84.00
Cdn Margin	16-Mar-07	Buy	5,000	Southampton Ventures Inc.	1.570	7,930.00	80.00
Cdn Margin	27-Mar-07	Buy	5,000	Southampton Ventures Inc.	1.640	8,282.00	82.00
Cdn Margin	30-Mar-07	Buy	5,000	Southampton Ventures Inc.	1.450	7,330.00	80.00
Shrt US Mgn	29-Mar-07	Buy	1,000	Systemax Inc	18.540	18,670.00	130.00
Cdn Margin	7-May-07	Buy	8,000	Delta Exploration Inc	2.280	18,367.00	127.00
Cdn Margin	23-May-07	Buy	5,300	Tranzeo Wireless Techs Inc	1.500	8,030.00	80.00
Cdn Margin	25-May-07	Buy	10,000	Helio Resources Corp.	1.000	10,080.00	80.00
US Margin	7-May-07	Buy	1,500	Benchmark Energy Corp.	0.990	1,358.65	- 126.35
US Margin	10-May-07	Sell	10,000	USA Superior Energy Hldgs Inc.	0.910	8,838.00	262.00
US Margin	6-Jun-07	Buy	8,500	Benchmark Energy Corp.	1.060	8,661.27	- 348.73
US Margin	18-Jun-07	Buy	2,700	ICP Solar Technologies Inc.	3.030	8,261.00	80.00
US Margin	19-Jun-07	Buy	7,300	ICP Solar Technologies Inc.	3.000	21,900.00	-
US Margin	19-Jun-07	Buy	200	ICP Solar Technologies Inc.	2.990		
US Margin	19-Jun-07	Buy	2,875	ICP Solar Technologies Inc.	3.000	9,326.00	103.00
US Margin	21-Jun-07	Buy	6,925	ICP Solar Technologies Inc.	3.100	21,632.50	165.00
US Margin	10-Jul-07	Buy	15,000	Dussault Apparel Inc.	1.350	20,436.75	186.75
US Margin	19-Jul-07	Buy	10,000	Inform Worldwide Hlds Inc New	2.400	24,218.00	218.00
US Margin	26-Jul-07	Buy	4,500	ICP Solar Technologies Inc.	2.750	12,475.00	100.00
Shrt US Mgn	13-Jul-07	Sell	500	Amazon.Com Inc.	71.080	35,270.00	270.00
US Margin	13-Aug-07	Buy	10,000	Inform Worldwide Hlds Inc New	2.520	25,200.00	-
US Margin	13-Aug-07	Buy	5,000	Inform Worldwide Hlds Inc New	2.530	12,980.00	330.00
US Margin	12-Sep-07	Sell	5,000	Inform Worldwide Hlds Inc New	2.750	13,618.75	131.25
US Margin	12-Sep-07	Buy	20,000	Park Place Energy Corp.	0.990	20,018.60	218.60
Cdn Margin	9-Oct-07	Buy	10,000	Next Millennium Commercial	0.495	5,050.00	100.00
US Margin	11-Oct-07	Sell	2,500	Inform Worldwide Hlds Inc New	2.770	6,805.00	120.00
US Margin	11-Oct-07	Sell	2,500	Inform Worldwide Hlds Inc New	2.780	6,930.00	20.00
US Margin	11-Oct-07	Sell	500	Inform Worldwide Hlds Inc New	2.790	1,375.00	20.00
US Margin	16-Oct-07	Buy	5,500	Inform Worldwide Hlds Inc New	1.900	10,559.50	109.50
Cdn Margin	4-Dec-07	Buy	10,000	Next Millennium Commercial	0.670	6,800.00	100.00
Cdn Margin	14-Dec-07	Buy	20,000	Next Millennium Commercial	0.770	15,527.00	127.00
US Margin	6-Dec-07	Sell	2,600	ICP Solar Technologies Inc.	2.760	7,076.00	100.00
US Margin	6-Dec-07	Sell	10,000	ICP Solar Technologies Inc.	2.600	25,768.00	232.00

Schedule "A" (page 2 of 2)

A/C	Settlement Date	Buy Sell	# Shares	Security	Price	Amount	Commission
US Margin	6-Dec-07	Sell	200	ICP Solar Technologies Inc.	2.700	540.00	-
US Margin	5-Mar-08	Buy	10,000	Arctic Oil & Gas Corp.	0.310	3,100.00	-
US Margin	5-Mar-08	Buy	20,000	Arctic Oil & Gas Corp.	0.315	6,300.00	-
US Margin	5-Mar-08	Buy	20,000	Arctic Oil & Gas Corp.	0.300	6,000.00	-
US Margin	5-Mar-08	Buy	20,000	Arctic Oil & Gas Corp.	0.320	6,784.00	384.00
US Margin	6-Mar-08	Buy	5,000	Arctic Oil & Gas Corp.	0.370		
US Margin	6-Mar-08	Buy	15,000	Arctic Oil & Gas Corp.	0.400	7,950.00	100.00
US Margin	10-Mar-08	Buy	10,000	Arctic Oil & Gas Corp.	0.250	2,600.00	100.00
US Margin	12-Mar-08	Buy	20,000	Arctic Oil & Gas Corp.	0.100	2,100.00	100.00
US Margin	12-Mar-08	Sell	10,000	ICP Solar Technologies Inc.	0.390	3,800.00	100.00
US Margin	14-Mar-08	Sell	4,931	ICP Solar Technologies Inc.	0.400	1,872.40	100.00
US Margin	19-Mar-08	Sell	4,000	ICP Solar Technologies Inc.	0.340	1,260.00	100.00
US Margin	27-Mar-08	Sell	2,769	ICP Solar Technologies Inc.	0.251	675.02	20.00

Schedule “B”

A/C	Settlement Date	Buy Sell	# Shares	Security	Price	Amount	Commission
US Margin	21-Mar-07	Buy	20,000	USA Superior Energy Hldgs Inc.	0.860	17,380.00	180.00
US Margin	19-Apr-07	Buy	4,550	USA Superior Energy Hldgs Inc.	0.950	4,402.50	80.00
US Margin	3-May-07	Buy	5,000	USA Superior Energy Hldgs Inc.	0.970		
US Margin	3-May-07	Buy	450	USA Superior Energy Hldgs Inc.	0.980	5,371.00	80.00
US Margin	10-May-07	Sell	10,000	USA Superior Energy Hldgs Inc.	0.910	8,838.00	262.00
US Margin	10-May-07	Sell	5,000	USA Superior Energy Hldgs Inc.	0.910	4,550.00	-
US Margin	10-May-07	Sell	2,500	USA Superior Energy Hldgs Inc.	0.910	2,275.00	-
US Margin	24-May-07	Buy	7,500	USA Superior Energy Hldgs Inc.	0.820	6,230.00	80.00
US Margin	12-Jun-07	Buy	500	USA Superior Energy Hldgs Inc.	0.660	330.00	-
US Margin	13-Jun-07	Buy	3,000	USA Superior Energy Hldgs Inc.	0.660	2,060.00	80.00
US Margin	14-Jun-07	Buy	6,500	USA Superior Energy Hldgs Inc.	0.660	4,370.00	80.00
US Margin	4-Jan-08	Buy	200,000	USA Superior Energy Hldgs Inc.	0.870	174,670.00	670.00
US Margin	4-Jan-08	Buy	50,000	USA Superior Energy Hldgs Inc.	0.840	42,000.00	-
US Margin	17-Mar-08	Buy	5,000	USA Superior Energy Hldgs Inc.	0.340		
US Margin	17-Mar-08	Buy	10,000	USA Superior Energy Hldgs Inc.	0.390		
US Margin	17-Mar-08	Buy	35,000	USA Superior Energy Hldgs Inc.	0.400	19,600.00	-
US Margin	17-Mar-08	Buy	5,000	USA Superior Energy Hldgs Inc.	0.395		
US Margin	17-Mar-08	Buy	20,000	USA Superior Energy Hldgs Inc.	0.400	10,336.00	361.00
US Margin	17-Mar-08	Buy	13,000	USA Superior Energy Hldgs Inc.	0.350		
US Margin	17-Mar-08	Buy	5,000	USA Superior Energy Hldgs Inc.	0.370		
US Margin	17-Mar-08	Buy	14,500	USA Superior Energy Hldgs Inc.	0.390		
US Margin	17-Mar-08	Buy	17,500	USA Superior Energy Hldgs Inc.	0.380	18,705.00	-
US Margin	18-Mar-08	Buy	10,000	USA Superior Energy Hldgs Inc.	0.400	4,342.00	342.00
US Margin	18-Mar-08	Buy	7,500	USA Superior Energy Hldgs Inc.	0.380		
US Margin	18-Mar-08	Buy	12,500	USA Superior Energy Hldgs Inc.	0.400		
US Margin	18-Mar-08	Buy	5,000	USA Superior Energy Hldgs Inc.	0.415	9,925.00	-
US Margin	18-Mar-08	Buy	5,000	USA Superior Energy Hldgs Inc.	0.410		
US Margin	18-Mar-08	Buy	15,000	USA Superior Energy Hldgs Inc.	0.400	8,050.00	-
US Margin	25-Mar-08	Buy	40,000	USA Superior Energy Hldgs Inc.	0.370	14,800.00	-
US Margin	25-Mar-08	Buy	40,000	USA Superior Energy Hldgs Inc.	0.360	14,400.00	-
US Margin	25-Mar-08	Buy	80,000	USA Superior Energy Hldgs Inc.	0.370		
US Margin	25-Mar-08	Buy	20,000	USA Superior Energy Hldgs Inc.	0.365	36,900.00	-
US Margin	25-Mar-08	Buy	10,000	USA Superior Energy Hldgs Inc.	0.340		
US Margin	25-Mar-08	Buy	40,000	USA Superior Energy Hldgs Inc.	0.350	18,532.00	1,132.00
US Margin	31-Mar-08	Buy	50,000	USA Superior Energy Hldgs Inc.	0.220	11,000.00	-
US Margin	31-Mar-08	Buy	60,000	USA Superior Energy Hldgs Inc.	0.230	13,800.00	-
US Margin	31-Mar-08	Buy	29,000	USA Superior Energy Hldgs Inc.	0.210	6,460.00	370.00
US Margin	31-Mar-08	Buy	50,000	USA Superior Energy Hldgs Inc.	0.220	11,000.00	-
US Margin	2-Apr-08	Buy	50,000	USA Superior Energy Hldgs Inc.	0.250	12,500.00	-
US Margin	2-Apr-08	Buy	50,000	USA Superior Energy Hldgs Inc.	0.250	12,500.00	-
US Margin	2-Apr-08	Buy	50,000	USA Superior Energy Hldgs Inc.	0.250	12,500.00	-
US Margin	2-Apr-08	Buy	20,000	USA Superior Energy Hldgs Inc.	0.250		
US Margin	2-Apr-08	Buy	25,000	USA Superior Energy Hldgs Inc.	0.240		
US Margin	2-Apr-08	Buy	55,000	USA Superior Energy Hldgs Inc.	0.260	25,300.00	-
US Margin	2-Apr-08	Buy	25,000	USA Superior Energy Hldgs Inc.	0.270	6,750.00	-
US Margin	2-Apr-08	Buy	20,500	USA Superior Energy Hldgs Inc.	0.270		
US Margin	2-Apr-08	Buy	4,500	USA Superior Energy Hldgs Inc.	0.275	6,772.50	-
US Margin	2-Apr-08	Buy	25,000	USA Superior Energy Hldgs Inc.	0.275	7,318.00	443.00

GENERAL PROCEDURAL MATTERS

TAKE FURTHER NOTICE that the hearing and related proceedings shall be subject to the Rules of Practice and Procedure.

TAKE FURTHER NOTICE that pursuant to Rule 13.1 of the Rules of Practice and Procedure, the Respondent is entitled to attend and be heard, be represented by counsel or an agent, call, examine and cross-examine witnesses, and make submissions to the Hearing Panel at the hearing.

RESPONSE TO NOTICE OF HEARING

TAKE FURTHER NOTICE that the Respondent must serve upon the Staff of IIROC a Response to the Notice of Hearing in accordance with Rule 7 of the Rules of Practice and Procedure within twenty (20) days (for a Standard Track disciplinary proceeding) or within thirty (30) days (for a Complex Track disciplinary proceeding) from the effective date of service of the Notice of Hearing.

FAILURE TO RESPOND OR ATTEND HEARING

TAKE FURTHER NOTICE that if the Respondent fails to serve a Response or attend the hearing, the Hearing Panel may, pursuant to Rules 7.2 and 13.5 of the Rules of Practice and Procedure:

- (a) proceed with the hearing as set out in the Notice of Hearing, without further notice to the Respondent;
- (b) accept as proven the facts and contraventions alleged by Staff in the Notice of Hearing; and
- (c) order penalties and costs against the Respondent pursuant to Dealer Member Rules 20.33, 20.34 and 20.49.

PENALTIES & COSTS

TAKE FURTHER NOTICE that if the Hearing Panel concludes that the Respondent did commit any or all of the contraventions alleged by the Staff in the Notice of Hearing, the Hearing Panel may, pursuant to Dealer Member Rules 20.33 and 20.34, impose any one or more of the following penalties:

Where the Respondent is/was an Approved Person:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
 - (i) \$1,000,000 per contravention; and
 - (ii) an amount equal to three times the profit made or loss avoided by such Approved Person by reason of the contravention.
- (c) suspension of approval for any period of time and upon any conditions or terms;
- (d) terms and conditions of continued approval;
- (e) prohibition of approval in any capacity for any period of time;
- (f) termination of the rights and privileges of approval;
- (g) revocation of approval;
- (h) a permanent bar from approval with IIROC; or
- (i) any other fit remedy or penalty.

Where the Respondent is/was a Member firm:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
 - (i) \$5,000,000 per contravention; and
 - (ii) an amount equal to three times the profit made or loss avoided by the Member by reason of the contravention;
- (c) suspension of the rights and privileges of the Member (and such suspension may include a direction to the Member to cease dealing with the public) for any period of time and upon any conditions or terms;
- (d) terms and conditions of continued Membership;
- (e) termination of the rights and privileges of Membership;
- (f) expulsion of the Member from membership in IIROC; or

(g) any other fit remedy or penalty.

TAKE FURTHER NOTICE that if the Hearing Panel concludes that the Respondent did commit any or all of the contraventions alleged by the Staff in the Notice of Hearing, the Hearing Panel may pursuant to Dealer Member Rule 20.49 assess and order any investigation and prosecution costs determined to be appropriate and reasonable in the circumstances.

DATED at Vancouver, this 28th day of September, 2012.

“Warren Funt”

Warren Funt
Vice President, Western Canada
INVESTMENT INDUSTRY REGULATORY
ORGANIZATION OF CANADA
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